



UNITED STATES DEPARTMENT OF EDUCATION

Federal Student Aid

TO: Secretary Rod Paige
U.S. Secretary of Education

FROM: Terri Shaw
Chief Operating Officer

RE: FSA Weekly Report

DATE: September 3, 2004

THE WEEK AHEAD

Black Family Reunion: On September 11-12, FSA representatives will be exhibiting at the ED-sponsored Education Pavilion at the annual Black Family Reunion on the Mall.

FSA IN THE FIELD

U.S. News and World Reports: Kay Jacks, General Manager of FSA's Application, School Eligibility and Delivery Services, is interviewed in the current issue of U.S. News and World Report as part of a special section on planning and paying for college.

National Glossary of Standardized Spanish Postsecondary Education Terms: On September 15, FSA will host a meeting of college access and financial aid professionals to kick-off a new initiative to create a National Glossary of Standardized Spanish Postsecondary Education Terms. This collaboration will produce a much-needed tool for organizations interested in reaching out to Spanish-speaking students and their families.

Matilda Ziegler Magazine: As a result of FSA outreach efforts to the National Federation of the Blind, FSA products and services were featured in the September issue of Matilda Ziegler Magazine. Matilda Ziegler Magazine is a New York City-based monthly that reprints articles covering a wide range of interests from the foremost newspapers and periodicals.

OPERATIONAL METRICS

Application Activities through August 30, 2004: The Central Processing System (CPS) has processed 10.8 million FAFSA applications for the 2004-05 cycle, a 3.3% increase over the 2003-04 cycle.

Program Disbursements: Through the week ending August 28, annual Pell Grant disbursements reached \$1.27 billion for the 2004-2005 academic year, a 20% increase over last year. Through the week ending August 28, annual Direct Loan disbursements reached \$1.9 billion for the 2004-2005 academic year, a 7% decrease over last year. Through the week ending August 31, annual FFEL disbursements reached \$1.2 billion for the 2004-2005 academic year, a

11% decrease over last year. Through July, annual Direct Consolidation Loan disbursements reached \$5.8 billion.

Direct Loan (DL) Servicing: As of July 31, the Direct Loan Portfolio reached 17.1 million loans (a 2.7% increase over last year) with a total value of \$82.0 billion (a 3.3% increase over last year) representing 6.3 million borrowers (a 3.5% increase over last year).

Direct Loan Delinquency Summary: The Direct Loan portfolio delinquency rate for July 2004 rose to 11.93% from 11.50% in June. The delinquency rate for July 2003 was 12.01 percent.

Consolidation Activity through July 31, 2004: Year to date, student loan consolidations from the Direct Loan program into the Direct Loan Consolidation program totaled \$2.85 billion, a 1.5% increase over last year. Consolidations from the FFEL program into the Direct Loan Consolidation program totaled 2.96 billion, a 1.0% increase over last year. Consolidations from the Direct Loan program into the FFEL program totaled \$7.2 billion, a 16.6% increase over last year.

Total Default Recoveries: Through the end of August, total FSA Default Recoveries for FY04 reached \$1.682 billion, an increase of 12% from this time last year. Total non-consolidation recoveries reached \$1.492 billion, an increase of 22%. Combined Recoveries from our private collection agency efforts have reached \$1.135 billion, up 20% over the same period in FY03.

Guarantor Recoveries: Through the end of July, total Guarantor Default Recoveries for FY04 reached \$3.12 billion, an increase of 3% from this time last year. Combined ED and guarantor recoveries reached \$4.65 billion, a 2% increase over last year. Total non-consolidation recoveries for ED and guarantors combined reached \$2.99 billion, an increase of 12.3%.

1-800-4-FED-AID through August 28, 2004: Year to date, the Federal Student Aid Information Center (FSAIC) has received 5.9 million calls, an 12% decrease over last year. Service levels have increased with 99.2% of calls completed, a .3% increase over last year. The average speed to answer decreased by 32.0% over last year to 6.1 seconds.

Direct Loan Servicing Call Center Phone Activity through August 20, 2004: Year to date, the Direct Loan Servicing Centers received 4.12 million calls to the Interactive Voice Response System, a decrease of 4.9% from 2003. Of those calls received, Borrower Services representatives handled 2.9 million calls, a decrease of 6.6% from 2003. The average speed of answer was 5.8 seconds, a decrease of 15.9% from 2003. The resolve rate for the Voice Response System was 29.2%, an increase of 4.9% from 2003. The Abandoned Call Rate was 0.25%, a decrease of 3.3% from 2003.

Student Aid on the Web: For the week ending August 21, *Student Aid on the Web* recorded 421,307 visits, 7,721,022 hits and 803,473 page views representing increases of 32.7%, 54.4%, and 38.9% respectively over the same period last year. MyFSA, the *Student Aid on the Web* feature that allows students and parents to establish their own personal password protected accounts for use as they move through the financial aid life cycle, has recorded 45,967 new accounts through the week ending August 21st.

Information for Financial Aid Professionals (IFAP) Web site Usage: For the week ending August 28, www.ifap.ed.gov received 70,320 visits representing 2.0 million hits, an increase of 13% over last year.

Schools Portal Usage: For the week ending August 21, www.fsa4schools.ed.gov received 13,904 visits representing approximately 1.0 million hits, an increase of 46% over last year.

Customer Service Call Center Activity: For the week ending August 21, the Customer Service Call Center received 359 inquiries and posted 10 documents to IFAP.

KEY ISSUES

Private Collection Agency (PCA) Procurement: The contracting officer determined the competitive range for the PCA competition and is sending notices to those agencies that did not qualify. Of the 25 offerors remaining in the competition, six are small businesses. Award of the task orders is planned for September 30.

Experimental Sites Initiative: On August 25, notification was sent to schools participating in the Experimental Sites Initiative to inform them of updates to the Annual Reporting Tool, Experimental Sites Annual Report and issues related to the Reauthorization of the Higher Education Act.

2005-2006 Student Aid Report (SAR): On August 25, OMB cleared the 2005-2006 Student Aid Report.

ON THE HORIZON

Cohort Default Rate Announcement: The student loan cohort default rates will be announced on/about September 13. Last year, the nation's student loan default rate dropped to an all-time low of 5.4%.

ED's Back-to-School Fair: On September 14, FSA will be participating in the Department's Back-to-School Fair. FSA representatives will be distributing information to employees in attendance on planning and preparing for college.

FSA in the Classroom: FSA representatives will be conducting the following training sessions in the coming weeks:

September 8	R2T4, Analyzing Data, and Conflicting Information (RAC) Hope International University
September 13	R2T4, Analyzing Data, and Conflicting Information (RAC) Seattle Regional Training Facility
September 15	R2T4, Analyzing Data, and Conflicting Information (RAC) San Francisco Regional Training Facility

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September 16	R2T4, Analyzing Data, and Conflicting Information (RAC) Kansas City Regional Training Facility
September 21	R2T4, Analyzing Data, and Conflicting Information (RAC) Virginia Tech University
September 21-22	CCCCO New Financial Aid Director's Training Sacramento, CA
September 22	R2T4, Analyzing Data, and Conflicting Information (RAC) Dallas Regional Training Facility
September 22	R2T4, Analyzing Data, and Conflicting Information (RAC) University of Montana
September 29	R2T4, Analyzing Data, and Conflicting Information (RAC) Chicago Regional Training Facility
September 29	R2T4, Analyzing Data, and Conflicting Information (RAC) Spokane Community College
September 30	R2T4, Analyzing Data, and Conflicting Information (RAC) Philadelphia Regional Training Facility

Presentations at Conferences: FSA representatives will be making presentations at the following state financial aid and higher education conferences in the coming weeks:

October 4-6	Idaho Association of Student Financial Aid Administrators (IASFAA)
October 7-8	National Scholarship Search Fair
October 20-22	Washington Financial Aid Administrators (WFAA)
October 27-28	National Association for College Admissions Counselors (NACAC)

CONTACT INFORMATION

Please contact Chris Greene at 377-4003 with any questions.